



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

(A-570-060, A-533-875, A-580-893, A-583-860, A-552-822)

Fine Denier Polyester Staple Fiber from the People's Republic of China, India, the Republic of Korea, Taiwan, and the Socialist Republic of Vietnam: Initiation of Less-Than-Fair-Value Investigations

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

DATES: Effective June 20, 2017.

FOR FURTHER INFORMATION CONTACT: Edythe Artman at (202) 482-3931 (the People's Republic of China (the PRC)), Patrick O'Connor at (202) 482-0989 (India), Karine Gziryan at (202) 482-4081 (the Republic of Korea (Korea)), Lilit Astvatsatrian at (202) 482-6412 (Taiwan), and Mike Heaney at (202) 482-4475 (the Socialist Republic of Vietnam (Vietnam)), AD/CVD Operations, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

SUPPLEMENTARY INFORMATION:

The Petitions

On May 31, 2017, the U.S. Department of Commerce (the Department) received antidumping duty (AD) Petitions concerning imports of fine denier polyester staple fiber (fine denier PSF) from the PRC, India, Korea, Taiwan and Vietnam, filed in proper form on behalf of DAK Americas LLC, Nan Ya Plastics Corporation, America, and Auriga Polymers Inc.

(collectively, the petitioners).¹ The AD Petitions were accompanied by countervailing duty (CVD) Petitions concerning imports of fine denier PSF from India and the PRC. The petitioners are domestic producers of fine denier PSF.²

On June 5, 2017, the Department requested supplemental information pertaining to certain areas of the Petitions.³ The petitioners filed responses to these requests on June 8, 2017.⁴ The petitioners filed a correction to a margin calculation for the PRC at the request of the Department on June 12, 2017.⁵ The petitioners filed revised scope language on June 14, 2017.⁶

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioners allege that imports of fine denier PSF from the PRC, India, Korea, Taiwan and

¹ See Letter to the Secretary of Commerce re: “Fine Denier Polyester Staple Fiber from the People’s Republic of China, India, the Republic of Korea, Taiwan and the Socialist Republic of Vietnam – Petitions for the Imposition of Antidumping and Countervailing Duties” (May 31, 2017) (the Petitions).

² See Volume I of the Petitions, at 2.

³ See Letter from the Department, “Petitions for the Imposition of Antidumping and Countervailing Duties on Imports of Fine Denier Polyester Staple Fiber from the People’s Republic of China, India, the Republic of Korea, Taiwan and the Socialist Republic of Vietnam: Supplemental Questions,” dated June 5, 2017 (General Issues Supplemental Questionnaire); *see also* Petition for the Imposition of Antidumping Duties on Imports of Fine Denier Polyester Staple Fiber from the People’s Republic of China: Supplemental Questions; *and* Petition for the Imposition of Antidumping Duties on Imports of Fine Denier Polyester Staple Fiber from India: Supplemental Questions; *and* Petition for the Imposition of Antidumping Duties on Imports of Fine Denier Polyester Staple Fiber from the Republic of Korea: Supplemental Questions; *and* Petition for the Imposition of Antidumping Duties on Imports of Fine Denier Polyester Staple Fiber from Taiwan: Supplemental Questions; *and* Petition for the Imposition of Antidumping Duties on Imports of Fine Denier Polyester Staple Fiber from the Socialist Republic of Vietnam: Supplemental Questions. All of these documents are dated June 5, 2017. *See also* country-specific memoranda to the file “Telephone Call to Foreign Market Researcher Regarding Antidumping Petition” dated June 20, 2017.

⁴ See Letter from the petitioners, “Fine Denier Polyester Staple Fiber from the People’s Republic of China, India, Italy, the Republic of Korea, Taiwan and the Socialist Republic of Vietnam: Petitioners’ Amendment to Volume I Relating to General Issues,” (June 8, 2017) (General Issues Supplement), at Exhibit I-S2, *see also* “Fine Denier Polyester Staple Fiber from the People’s Republic of China: Petitioners’ Response to Questions Concerning the Antidumping Duty Petition,” *and* “Fine Denier Polyester Staple Fiber from the Republic of Korea: Petitioners’ Response to Questions Concerning the Antidumping Duty Petition,” *and* “Fine Denier Polyester Staple Fiber from India: Petitioners’ Response to Questions Concerning the Antidumping Duty Petition,” *and* “Fine Denier Polyester Staple Fiber from Taiwan: Petitioners’ Response to Questions Concerning the Antidumping Duty Petition,” *and* “Fine Denier Polyester Staple Fiber from the Socialist Republic of Vietnam: Petitioners’ Response to Questions Concerning the Antidumping Duty Petition.” Each of these documents is dated June 8, 2017.

⁵ See Letter from the petitioners, “Fine Denier Polyester Staple Fiber from the People’s Republic of China,” dated June 12, 2017.

⁶ See Memorandum to the File “Phone Conversation Regarding Scope,” dated June 13, 2017; *see also* Fine Denier Polyester Staple Fiber from the People’s Republic of China, India, the Republic of Korea, Taiwan, and the Socialist Republic of Vietnam - Petitioners’ Second Amendment to Volume I Relating to General Issues, dated June 14, 2017 (Scope Supplement to the Petitions).

Vietnam are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, the domestic industry producing fine denier PSF in the United States. Also, consistent with section 732(b)(1) of the Act, the Petitions are accompanied by information reasonably available to the petitioners supporting their allegations.

The Department finds that the petitioners filed these Petitions on behalf of the domestic industry because the petitioners are interested parties as defined in section 771(9)(C) of the Act. The Department also finds that the petitioners demonstrated sufficient industry support with respect to the initiation of the AD investigations that the petitioners are requesting.⁷

Periods of Investigation

Because the Petitions were filed on May 31, 2017, the period of investigation (POI) for all investigations except the PRC and Vietnam, is April 1, 2016, through March 31, 2017. Because the PRC and Vietnam are non-market economy (NME) countries, the POI for these investigations is October 1, 2016, through March 31, 2017.

Scope of the Investigations

The product covered by these investigations is fine denier PSF from the PRC, India, Korea, Taiwan and Vietnam. For a full description of the scope of these investigations, *see* the “Scope of the Investigations,” in the Appendix to this notice.

Comments on Scope of the Investigations

During our review of the Petitions, the Department issued questions to, and received responses from, the petitioners pertaining to the proposed scope to ensure that the scope

⁷ See the “Determination of Industry Support for the Petitions” section, below.

language in the Petitions would be an accurate reflection of the products for which the domestic industry is seeking relief.⁸

As discussed in the preamble to the Department's regulations, we are setting aside a period for interested parties to raise issues regarding product coverage (scope).⁹ The Department will consider all comments received from interested parties and, if necessary, will consult with interested parties prior to the issuance of the preliminary determinations. If scope comments include factual information,¹⁰ all such factual information should be limited to public information. To facilitate preparation of its questionnaires, the Department requests all interested parties to submit such comments by 5:00 p.m. Eastern Time (ET) on Monday, July 10, 2017, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on Thursday, July 20, 2017, which is 10 calendar days from the initial comments deadline.¹¹

The Department requests that any factual information the parties consider relevant to the scope of the investigations be submitted during this time period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigations may be relevant, the party may contact the Department and request permission to submit the additional information. All such comments must be filed on the records of each of the concurrent AD and CVD investigations.

⁸ See General Issues Supplement, at 1-3 and Exhibit I-S1; and Scope Supplement to the Petitions, at 2.

⁹ See *Antidumping Duties; Countervailing Duties, Final Rule*, 62 FR 27296, 27323 (May 19, 1997).

¹⁰ See 19 CFR 351.102(b)(21) (defining "factual information").

¹¹ See 19 CFR 351.303(b).

Filing Requirements

All submissions to the Department must be filed electronically using Enforcement and Compliance's Antidumping Duty and Countervailing Duty Centralized Electronic Service System (ACCESS).¹² An electronically filed document must be received successfully in its entirety by the time and date it is due. Documents exempted from the electronic submission requirements must be filed manually (*i.e.*, in paper form) with Enforcement and Compliance's APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

Comments on Product Characteristics for AD Questionnaires

The Department will provide interested parties an opportunity to comment on the appropriate physical characteristics of fine denier PSF to be reported in response to the Department's AD questionnaires. This information will be used to identify the key physical characteristics of the merchandise under consideration in order to report the relevant costs of production accurately as well as to develop appropriate product-comparison criteria.

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: 1) general product characteristics and 2) product-comparison criteria. We note that it is not always appropriate to use all product characteristics as product-comparison criteria. We base product-comparison criteria on

¹² See *Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures*, 76 FR 39263 (July 6, 2011); see also *Enforcement and Compliance; Change of Electronic Filing System Name*, 79 FR 69046 (November 20, 2014) for details of the Department's electronic filing requirements, which went into effect on August 5, 2011. Information on help using ACCESS can be found at <https://access.trade.gov/help.aspx> and a handbook can be found at <https://access.trade.gov/help/Handbook%20on%20Electronic%20Filing%20Procedures.pdf>.

meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe fine denier PSF, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaires, all product characteristics comments must be filed by 5:00 p.m. ET on July 10, 2017. Any rebuttal comments must be filed by 5:00 p.m. ET on July 20, 2017. All comments and submissions to the Department must be filed electronically using ACCESS, as explained above, on the records of the the PRC, India, Korea, Taiwan and Vietnam less-than-fair-value investigations.

Determination of Industry Support for the Petitions

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as

required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the “industry.”

Section 771(4)(A) of the Act defines the “industry” as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether “the domestic industry” has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product,¹³ they do so for different purposes and pursuant to a separate and distinct authority. In addition, the Department’s determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.¹⁴

Section 771(10) of the Act defines the domestic like product as “a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title.” Thus, the reference point from which the domestic like product analysis begins is “the article subject to an investigation” (*i.e.*, the class or kind of merchandise to be investigated, which normally will be the scope as defined in the Petitions).

With regard to the domestic like product, the petitioners do not offer a definition of the domestic like product distinct from the scope of the investigations. Based on our analysis of the information submitted on the record, we have determined that fine denier PSF, as defined in the

¹³ See section 771(10) of the Act.

¹⁴ See *USEC, Inc. v. United States*, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing *Algoma Steel Corp., Ltd. v. United States*, 688 F. Supp. 639, 644 (CIT 1988), *aff’d* 865 F.2d 240 (Fed. Cir. 1989)).

scope, constitutes a single domestic like product and we have analyzed industry support in terms of that domestic like product.¹⁵

In determining whether the petitioners have standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petitions with reference to the domestic like product as defined in the “Scope of the Investigations,” in Appendix I of this notice. To establish industry support, the petitioners provided their own production of the domestic like product in 2016.¹⁶ In addition, the petitioners provided a letter of support from Palmetto Synthetics, LLC, stating that the company supports the Petitions and providing its own production of the domestic like product in 2016.¹⁷ The petitioners identify themselves and Palmetto Synthetics, LLC as the companies constituting the U.S. fine denier PSF industry and state that there are no other known producers of fine denier PSF in the United States; therefore, the Petitions are supported by 100 percent of the U.S. industry.¹⁸

Our review of the data provided in the Petitions, the General Issues Supplement, and other information readily available to the Department indicates that the petitioners have established industry support for the Petitions.¹⁹ First, the Petitions established support from

¹⁵ For a discussion of the domestic like product analysis, *see* Antidumping Duty Investigation Initiation Checklist: Fine Denier Polyester Staple Fiber from the People’s Republic of China (PRC AD Initiation Checklist), at Attachment II, Analysis of Industry Support for the Antidumping and Countervailing Duty Petitions Covering Fine Denier Polyester Staple Fiber from the People’s Republic of China, India, the Republic of Korea, Taiwan, and the Socialist Republic of Vietnam, (Attachment II); Antidumping Duty Investigation Initiation Checklist: Fine Denier Polyester Staple Fiber from India (India AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Fine Denier Polyester Staple Fiber from the Republic of Korea (Korea AD Initiation Checklist), at Attachment II; Antidumping Duty Investigation Initiation Checklist: Fine Denier Polyester Staple Fiber from Taiwan (Taiwan AD Initiation Checklist), at Attachment II; and Antidumping Duty Investigation Initiation Checklist: Fine Denier Polyester Staple Fiber from the Socialist Republic of Vietnam (Vietnam AD Initiation Checklist), at Attachment II. These checklists are dated concurrently with, and hereby adopted by, this notice and on file electronically *via* ACCESS. Access to documents filed *via* ACCESS is also available in the Central Records Unit, Room B8024 of the main Department of Commerce building.

¹⁶ *See* Volume I of the Petitions, at 3 and Exhibit I-2.

¹⁷ *Id.*

¹⁸ *Id.*, at 2-3 and Exhibit I-1; *see also* General Issues Supplement, at 3 and Exhibit I-S2.

¹⁹ *See* PRC AD Initiation Checklist; India AD Initiation Checklist; Korea AD Initiation Checklist; Taiwan AD

domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (*e.g.*, polling).²⁰ Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petitions account for at least 25 percent of the total production of the domestic like product.²¹ Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petitions account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petitions.²² Accordingly, the Department determines that the Petitions were filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

The Department finds that the petitioners filed the Petitions on behalf of the domestic industry because they are interested parties as defined in section 771(9)(C) of the Act and they have demonstrated sufficient industry support with respect to the AD investigations that they are requesting that the Department initiate.²³

Allegations and Evidence of Material Injury and Causation

The petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than normal value (NV). In addition, the petitioners allege that subject

Initiation Checklist; and Vietnam AD Initiation Checklist, at Attachment II.

²⁰ See section 732(c)(4)(D) of the Act; *see also* PRC AD Initiation Checklist; India AD Initiation Checklist; Korea AD Initiation Checklist; Taiwan AD Initiation Checklist; and Vietnam AD Initiation Checklist, at Attachment II.

²¹ See PRC AD Initiation Checklist; India AD Initiation Checklist; Korea AD Initiation Checklist; Taiwan AD Initiation Checklist; and Vietnam AD Initiation Checklist, at Attachment II.

²² *Id.*

²³ *Id.*

imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.²⁴

The petitioners contend that the industry's injured condition is illustrated by reduced market share; underselling and price suppression or depression; lost sales and revenues; decreased production, capacity utilization, and U.S. shipments; and declines in financial performance.²⁵ We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence, and meet the statutory requirements for initiation.²⁶

Allegations of Sales at Less Than Fair Value

The following is a description of the allegations of sales at less than fair value upon which the Department based its decision to initiate AD investigations of imports of fine denier PSF from the PRC, India, Korea, Taiwan and Vietnam. The sources of data for the deductions and adjustments relating to U.S. price and NV are discussed in greater detail in the country-specific initiation checklists.

Export Price

For the PRC, India, Korea, Taiwan, and Vietnam, the petitioners based the U.S. price on export price (EP) using average unit values (AUVs) of publicly available import data.²⁷ For the PRC and Taiwan, the petitioners also based the U.S. price on EP using price quotes for sales of fine denier PSF produced in, and exported from, the subject country and offered for sale in the

²⁴ See Volume I of the Petitions, at 14-15 and Exhibit I-7.

²⁵ See Volume I of the Petitions, at 14-31 and Exhibits I-5, I-8, I-9, and I-10.

²⁶ See PRC AD Initiation Checklist, at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping and Countervailing Duty Petitions Covering Fine Denier Polyester Staple Fiber from the People's Republic of China, India, the Republic of Korea, Taiwan, and the Socialist Republic of Vietnam (Attachment III); India AD Initiation Checklist, at Attachment III; Korea AD Initiation Checklist, at Attachment III; Taiwan AD Initiation Checklist, at Attachment III; and Vietnam AD Initiation Checklist, at Attachment III.

²⁷ See PRC AD Initiation Checklist; India AD Initiation Checklist; Korea AD Initiation Checklist; Taiwan AD Initiation Checklist; and Vietnam AD Initiation Checklist.

United States.²⁸ Where applicable, the petitioners made deductions from U.S. price for movement and other expenses, consistent with the terms of sale.²⁹

Normal Value

For India, Korea, and Taiwan, the petitioners provided home market price information for fine denier PSF produced in, and offered for sale in, each of these countries that was obtained through market research.³⁰ For all three of these countries, the petitioners provided a declaration from a market researcher to support the price information.³¹ Where applicable, the petitioners made deductions for movement expenses, consistent with the terms of sale.³²

For Korea and Taiwan, the petitioners also provided information that sales of fine denier PSF in the respective home markets were made at prices below the cost of production (COP).

With respect to Korea, the petitioners calculated NV based on home market prices and constructed value (CV).³³ With respect to Taiwan, the petitioners calculated NV based on CV.³⁴ For further discussion of COP and NV based on CV, *see* the section “Normal Value Based on Constructed Value” below.³⁵

²⁸ *See* PRC AD Initiation Checklist and Taiwan AD Initiation Checklist.

²⁹ *See* PRC AD Initiation Checklist; India AD Initiation Checklist; Korea AD Initiation Checklist; Taiwan AD Initiation Checklist; and Vietnam AD Initiation Checklist.

³⁰ *See* India AD Initiation Checklist, Korea AD Initiation Checklist, and Taiwan AD Initiation Checklist. For India, the petitioners also provided constructed value data and calculated margins based on a comparison between EP and constructed value. *See* India AD Initiation Checklist. Because the petitioners provided appropriate home market prices, we have relied on these prices as the basis for normal value, pursuant to section 773(a)(1) of the Act, for purposes of initiation.

³¹ *See Id.*

³² *See Id.*

³³ *See* Korea AD Initiation Checklist.

³⁴ *See* Taiwan AD Initiation Checklist.

³⁵ In accordance with section 505(a) of the Trade Preferences Extension Act of 2015, amending section 773(b)(2) of the Act, for all of the investigations, the Department will request information necessary to calculate the CV and COP to determine whether there are reasonable grounds to believe or suspect that sales of the foreign like product have been made at prices that represent less than the COP of the product. The Department no longer requires a COP allegation to conduct this analysis.

With respect to the PRC and Vietnam, the petitioners stated that the Department has found these countries to be NME countries in prior administrative proceedings in which they were involved.³⁶ In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the PRC and Vietnam has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of these investigations. Accordingly, NV in both the PRC and Vietnam is appropriately based on factors of production (FOPs) valued in a surrogate market economy country, in accordance with section 773(c) of the Act.³⁷ In the course of these investigations, all parties, and the public, will have the opportunity to provide relevant information related to the granting of separate rates to individual exporters.

The petitioners claim that Mexico is an appropriate surrogate country for the PRC, because it is a market economy country that is at a level of economic development comparable to that of the PRC, it is a significant producer of comparable merchandise, and public information from Mexico is available to value all material input factors.³⁸ Based on the information provided by the petitioners, we determine that it is appropriate to use Mexico as a surrogate country for initiation purposes.

The petitioners claim that India is an appropriate surrogate country for Vietnam, because it is a market economy country that is at a level of economic development comparable to that of Vietnam, it is a significant producer of comparable merchandise, and public information from India is available to value all material input factors.³⁹ Based on the information provided by the petitioners, we determine that it is appropriate to use India as a surrogate country for initiation

³⁶ See Volume II of the Petition, at 4-5; *see also* Volume VI of the Petition, at 4-5.

³⁷ See PRC AD Initiation Checklist and Vietnam AD Initiation Checklist.

³⁸ See Volume II of the Petition at 5-6 and Exhibit AD-CN-4.

³⁹ See Volume VI of the Petition, at 5-6, Exhibit AD-VN-4.

purposes.

Interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value FOPs within 30 days before the scheduled date of the preliminary determination.

Factors of Production

Because information regarding the volume of inputs consumed by the PRC and Vietnamese producers/exporters is not available, the petitioners relied on the production experience of a domestic producer of fine denier PSF in the United States as an estimate of Chinese and Vietnamese manufacturers' FOPs.⁴⁰ The petitioners valued the estimated FOPs using surrogate values from Mexico for the PRC and surrogate values from India for Vietnam and used the average POI exchange rate to convert the data to U.S. dollars.⁴¹

Normal Value Based on Constructed Value

Pursuant to section 773(b)(3) of the Act, COP consists of the cost of manufacturing (COM), selling, general, and administrative (SG&A) expenses, financial expenses, and packing expenses. For Korea and Taiwan, the petitioners calculated the COM based on the input factors of production and usage rates from a U.S. producer of fine denier PSF. The input factors of production were valued using publicly available data on costs specific to Korea and Taiwan.⁴² Specifically, the prices for raw material and packing inputs were based on Korean and Taiwanese publicly available import and, for one Taiwanese input, export data. Labor and

⁴⁰ See Volume II of the Petition at 6 and Exhibit AD-CN-3, and PRC AD Supplement at 1 and Exhibit AD-CN-S3; see also Volume VI of the Petition at 5 and Exhibit AD-VN-3, and Vietnam AD Supplement, at 1 and Exhibit A-VN-S3.

⁴¹ See Volume II of the Petition at 6 and Exhibits AD-CN-3 and AD-CN-4; see also Volume VI of the Petition at Exhibit AD-VN-4.

⁴² See Korea AD Initiation Checklist and Taiwan AD Initiation Checklist

energy costs were valued using publicly available sources for Korea and Taiwan. The petitioners calculated factory overhead, SG&A, and financial expenses based on the experience of Korean and Taiwanese producers of comparable merchandise.⁴³

For Korea and Taiwan, because certain home market prices fell below the COP, pursuant to sections 773(a)(4), 773(b), and 773(e) of the Act, as noted above, the petitioners calculated NVs based on CV.⁴⁴ Pursuant to section 773(e) of the Act, CV consists of the COM, SG&A expenses, financial expenses, packing expenses, and profit. The petitioners calculated CV using the same average COM, SG&A expenses, financial expenses, and packing expenses that were used to calculate the COP.⁴⁵ The petitioners relied on the financial statements of the same producers that they used for calculating factory overhead, SG&A expenses, and financial expenses to calculate the profit rates.⁴⁶

Fair Value Comparisons

⁴³ *See Id.*

⁴⁴ *Id.*

⁴⁵ *Id.*

⁴⁶ *Id.*

Based on the data provided by the petitioners, there is reason to believe that imports of fine denier PSF from the PRC, India, Korea, Taiwan, and Vietnam are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP to NV in accordance with sections 772 and 773 of the Act, the estimated dumping margins for fine denier PSF for each of the countries covered by this initiation are as follows: (1) PRC - 88.07 to 103.06 percent;⁴⁷ (2) India - 21.43;⁴⁸ (3) Korea - 37.28 to 45.23 percent;⁴⁹ (4) Taiwan - 31.07 to 56.72 percent;⁵⁰ and (5) Vietnam is 64.73 percent.⁵¹

Initiation of Less-than-Fair-Value Investigations

Based upon the examination of the AD Petitions, we find that the Petitions meet the requirements of section 732 of the Act. Therefore, we are initiating AD investigations to determine whether imports of fine denier PSF from the PRC, India, Korea, Taiwan, and Vietnam are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determinations no later than 140 days after the date of this initiation.

Under the Trade Preferences Extension Act of 2015, numerous amendments to the AD and CVD law were made.⁵² The 2015 law does not specify dates of application for those amendments. On August 6, 2015, the Department published an interpretative rule, in which it announced the applicability dates for each amendment to the Act, except for amendments contained in section 771(7) of the Act, which relate to determinations of material injury by the

⁴⁷ See PRC AD Initiation Checklist.

⁴⁸ See India AD Initiation Checklist.

⁴⁹ See Korea AD Initiation Checklist.

⁵⁰ See Taiwan AD Initiation Checklist.

⁵¹ See Vietnam AD Initiation Checklist.

⁵² See Trade Preferences Extension Act of 2015, Pub. L. No. 114-27, 129 Stat. 362 (2015).

ITC.⁵³ The amendments to sections 771(15), 773, 776, and 782 of the Act are applicable to all determinations made on or after August 6, 2015, and, therefore, apply to these AD investigations.⁵⁴

Respondent Selection

The petitioners named 12 companies in India,⁵⁵ 31 companies in Korea,⁵⁶ and eight companies in Taiwan,⁵⁷ as producers/exporters of fine denier PSF. Following standard practice in AD investigations involving market economy countries, in the event the Department determines that the number of companies for any one market economy country identified above is large, the Department intends to review U.S. Customs and Border Protection (CBP) data for U.S. imports of fine denier PSF during the respective POIs under the appropriate Harmonized Tariff Schedule of the United States subheadings, and if it determines that it cannot individually examine each company based upon the Department's resources, then the Department will select respondents based on that data. We intend to release CBP data under Administrative Protective Order (APO) to all parties with access to information protected by APO within five business days of the announcement of the initiation of these investigations. Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305(b). Instructions for filing such applications may be found on the Department's Web site at <http://enforcement.trade.gov/apo>.

⁵³ See *Dates of Application of Amendments to the Antidumping and Countervailing Duty Laws Made by the Trade Preferences Extension Act of 2015*, 80 FR 46793 (August 6, 2015).

⁵⁴ *Id.* at 46794-95. The 2015 amendments may be found at <https://www.congress.gov/bill/114th-congress/house-bill/1295/text/pl>.

⁵⁵ See Volume I of the Petitions, at Exhibit I-4.

⁵⁶ *Id.*

⁵⁷ *Id.*

Interested parties may submit comments regarding the CBP data and respondent selection by 5:00 p.m. ET seven calendar days after the placement of the CBP data on the record of these investigations. Interested parties wishing to submit rebuttal comments should submit those comments five calendar days after the deadline for initial comments.

Comments must be filed electronically using ACCESS. An electronically-filed document must be received successfully, in its entirety, by ACCESS no later than 5:00 p.m. ET on the date noted above. If respondent selection is necessary, within 20 days of publication of this notice, we intend to make our decisions regarding respondent selection based upon comments received from interested parties and our analysis of the record information.

With respect to the PRC and Vietnam, the petitioners named, respectively, seven and four producers/exporters as accounting for the majority of exports of fine denier PSF to the United States from the PRC and Vietnam.⁵⁸ In accordance with our standard practice for respondent selection in AD cases involving NME countries, we intend to issue quantity and value (Q&V) questionnaires to producers/exporters of merchandise subject to these NME investigations and, if necessary, base respondent selection on the responses received. For these NME investigations, the Department will request Q&V information from known exporters and producers identified, with complete contact information, in the Petitions. In addition, the Department will post the Q&V questionnaire along with filing instructions on Enforcement and Compliance's website at <http://www.trade.gov/enforcement/news.asp>.

⁵⁸ Though the petitioners listed 88 "known producers of fine denier PSF from China" in Volume I of the Petition at Exhibit I-4, they clarified in the PRC-specific Volume II of the Petition that "to the best of Petitioners' knowledge, fine denier PSF is produced in China and exported to the United States" by seven companies that account for most or all U.S. imports during the POI. *See* Volume II of the Petition at 2. *See also* Volume I of the Petitions at exhibit I-4

Producers/exporters of fine denier PSF from the PRC and Vietnam that do not receive Q&V questionnaires by mail may still submit a response to the Q&V questionnaire and can obtain a copy of the Q&V questionnaire from Enforcement & Compliance's website. The Q&V response must be submitted by the relevant PRC exporters/producers no later than 5:00 p.m. ET on July 5, 2017. All Q&V responses must be filed electronically via ACCESS.

Separate Rates

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate application.⁵⁹ The specific requirements for submitting a separate-rate application in the PRC and Vietnam investigations are outlined in detail in the application itself, which is available on the Department's web site at <http://enforcement.trade.gov/nme/nme-sep-rate.html>. The separate-rate application will be due 30 days after publication of this initiation notice.⁶⁰ Exporters and producers who submit a separate-rate application and have been selected as mandatory respondents will be eligible for consideration for separate-rate status only if they respond to all parts of the Department's AD questionnaire as mandatory respondents. The Department requires that companies from the PRC and Vietnam submit a response to both the Q&V questionnaire and the separate-rate application by the respective deadlines in order to receive consideration for separate-rate status. Companies not filing a timely Q&V response will not receive separate-rate consideration.

Use of Combination Rates

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME Investigation will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of

⁵⁹ See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation involving Non-Market Economy Countries (April 5, 2005), available at <http://enforcement.trade.gov/policy/bull05-1.pdf> (Policy Bulletin 05.1).

⁶⁰ Although in past investigations this deadline was 60 days, consistent with 19 CFR 351.301(a), which states that "the Secretary may request any person to submit factual information at any time during a proceeding," this deadline is now 30 days.

investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of “combination rates” because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.⁶¹

Distribution of Copies of the Petitions

In accordance with section 732(b)(3)(A)(i) of the Act and 19 CFR 351.202(f), copies of the public version of the Petitions have been provided to the governments of the PRC, India, Korea, Taiwan, and Vietnam *via* ACCESS. To the extent practicable, we will attempt to provide a copy of the public version of the Petitions to each exporter named in the Petitions, as provided under 19 CFR 351.203(c)(2).

ITC Notification

We will notify the ITC of our initiation, as required by section 732(d) of the Act.

Preliminary Determinations by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petitions were filed, whether there is a reasonable indication that imports of fine denier PSF from the PRC, India, Korea, Taiwan, and Vietnam are materially injuring or threatening material injury to a U.S. industry.⁶² A negative ITC determination for any country will result in the investigation being terminated with respect to that country.⁶³ Otherwise, these investigations will proceed according to statutory and regulatory time limits.

⁶¹ See Policy Bulletin 05.1 at 6 (emphasis added).

⁶² A negative ITC determination for any country will result in the investigation being terminated with respect to that country;⁶²

⁶³ *Id.*

Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by the Department; and (v) evidence other than factual information described in (i)–(iv). 19 CFR 351.301(b) requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted⁶⁴ and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct.⁶⁵ Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being submitted. Interested parties should review the regulations prior to submitting factual information in these investigations.

Extensions of Time Limits

Parties may request an extension of time limits before the expiration of a time limit established under 19 CFR 351.301, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under 19 CFR 351.301. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. ET on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from

⁶⁴ See 19 CFR 351.301(b).

⁶⁵ See 19 CFR 351.301(b)(2).

multiple parties simultaneously. In such a case, we will inform parties in the letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Parties should review *Extension of Time Limits; Final Rule*, 78 FR 57790 (September 20, 2013), available at <http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm>, prior to submitting factual information in these investigations.

Certification Requirements

Any party submitting factual information in an AD or CVD proceeding must certify to the accuracy and completeness of that information.⁶⁶ Parties are hereby reminded that revised certification requirements are in effect for company/government officials, as well as their representatives. Investigations initiated on the basis of petitions filed on or after August 16, 2013, and other segments of any AD or CVD proceedings initiated on or after August 16, 2013, should use the formats for the revised certifications provided at the end of the *Final Rule*.⁶⁷ The Department intends to reject factual submissions if the submitting party does not comply with applicable revised certification requirements.

Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with 19 CFR 351.305. On January 22, 2008, the Department published *Antidumping and Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures*, 73 FR 3634 (January 22, 2008). Parties wishing to participate in these investigations should ensure that

⁶⁶ See section 782(b) of the Act.

⁶⁷ See *Certification of Factual Information to Import Administration during Antidumping and Countervailing Duty Proceedings*, 78 FR 42678 (July 17, 2013) (*Final Rule*); see also frequently asked questions regarding the *Final Rule*, available at http://enforcement.trade.gov/tlei/notices/factual_info_final_rule_FAQ_07172013.pdf.

they meet the requirements of these procedures (*e.g.*, the filing of letters of appearance as discussed atn 19 CFR 351.103(d)).

This notice is issued and published pursuant to sections 732(c)(2) and 777(i) of the Act, and 19 CFR 351.203(c).

Dated: June 20, 2017.

Ronald K. Lorentzen
Acting Assistant Secretary
for Enforcement and Compliance

Appendix

Scope of the Investigations

The merchandise covered by these investigations is fine denier polyester staple fiber (fine denier PSF), not carded or combed, measuring less than 3.3 decitex (3 denier) in diameter. The scope covers all fine denier PSF, whether coated or uncoated. The following products are excluded from the scope:

- (1) PSF equal to or greater than 3.3. decitex (more than 3 denier, inclusive) currently classifiable under Harmonized Tariff Schedule of the United States (HTSUS) subheadings 5503.20.0045 and 5503.20.0065.
- (2) Low-melt PSF defined as a bi-component fiber with a polyester core and an outer, polyester sheath that melts at a significantly lower temperature than its inner polyester core currently classified under HTSUS subheading 5503.20.0015.

Fine denier PSF is classifiable under the HTSUS subheading 5503.20.0025. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the scope of the investigations is dispositive.

[FR Doc. 2017-13380 Filed: 6/26/2017 8:45 am; Publication Date: 6/27/2017]